

**Statement of Representative Rick Renzi (R-AZ)**  
**Before the**  
**Subcommittee on Benefits**  
**House Committee on Veterans' Affairs**  
**H.R. 1460**  
**“The Veterans Entrepreneurship Act of 2003”**  
**April 30, 2003**

Mr. Chairman, thank you for holding this hearing today to learn how we can improve the business opportunities of disabled veterans. Last month, I introduced H.R. 1460, the Veterans Entrepreneurship Act of 2003, a measure to help veterans create, manage, and grow their own small businesses. I am pleased to have as original cosponsors on the bill full committee Chairman Smith and Ranking Member Evans, Benefits Subcommittee Chairman Brown and Ranking Member Michaud, Small Business Committee Chairman Manzullo and my distinguished colleague from Colorado, Mr. Beauprez.

We firmly believe Congress is obligated to provide veterans a full opportunity to participate in the economic system that their military service has helped to sustain. Veterans are a unique national resource and we need to engage their distinctive skills and abilities in our economy.

One of the first hearings of this Committee that I attended was on the state of veterans' employment and how well federal programs are serving our veterans. I was disappointed to learn that while Congress had made improvements in helping veterans receive access to capital, Federal contracts and government procurement information for those who own their own businesses, disabled veteran small business owners are not fully participating in the system. In fact, in testimony from the Administration, we heard that the government-wide 3% statutory goal established in Public Law 106-50 has yet to be met and that contracts let to veteran-owned businesses has *decreased* over the past two years. H.R. 1460 would give veterans and the federal government the tools needed to ensure that we meet that 3% statutory goal.

First, this measure would allow veterans to use Department of Veterans Affairs (VA) education benefits to enroll in a non-degree, non-credit business course offered by a Small Business Development Center (SBDC) and the National Veterans Small Business Development Corporation. The Small Business Administration helps fund 1,000 SBDCs in the United States; Puerto Rico, U.S. Virgin Islands, Guam, and American Samoa. SBDCs are operated in partnership with colleges and universities or governmental entities. This section would improve access to pre-entrepreneurship

training and skills building for veterans and certain others, as well. Disabled veterans, dependent spouses and children of certain disabled or deceased veterans, and members of the Guard and Reserve, also would be eligible.

Second, the bill would clarify that disabled veterans enrolled in school under a VA vocational rehabilitation program may establish self-employment in a small business enterprise as a vocational goal. The bill recognizes that self-employment is a legitimate rehabilitation goal. It intends to discontinue any current VA practices that could require a disabled veteran to establish that he or she is unable to be employed in another job before being permitted to benefit from the essential entrepreneurship services VA's vocational rehabilitation program currently furnishes. These services include necessary equipment, supplies, and other needs associated with starting a small business. It should be noted that VA still could establish certain controls, so that aspiring disabled veterans would have the best chance of succeeding as small business owners. This section of the bill is especially important for disabled veterans who desire to start and grow home-based small businesses.

Third, the bill would give federal agency contracting officers the discretionary authority to create sole source contracts for disabled veteran-owned businesses up to \$5 million for manufacturing awards and \$3 million for non-manufacturing awards. It also would furnish contracting officers discretionary authority to restrict certain contracts to disabled veteran-owned small businesses if at least two such concerns are qualified to bid on the contract. This section of the bill is designed simply to create a "level playing field" for those individuals who have been wounded or injured in defending our freedoms.

As a small business owner, my instincts tell me that the more successful veteran-owned businesses are those employing veterans. We have a tendency to assimilate with those with whom we have served side by side and trust with your life. That tells me that not only should there be a preference given to those business owners because of the hard-fought sacrifice and the suffering they have endured, but also that in helping them, we are helping other veterans. It is my hope that in creating a set aside for disabled veterans that it will encourage more veterans to start their own businesses.

I also know that the smaller business sector is the backbone of our economy and where many jobs are created. Our former servicemembers undeniably are engaging and resourceful individuals. H.R. 1460 gives them additional tools to help realize the American dream of entrepreneurship.